



**NSIA: CATALYZING NIGERIA'S SUSTAINABLE
DEVELOPMENT THROUGH STRATEGIC INVESTMENTS
AND GLOBAL PARTNERSHIPS**

Introduction

Nigeria's development ambitions are increasingly confronting a familiar constraint: the gap between the scale of capital required to transform the economy and the capacity of public finances to provide that capital alone. From infrastructure and energy to healthcare, agriculture and digital technology, the country's investment needs extend well beyond what can reasonably be financed through annual budgetary allocations or conventional public borrowing.

Against this backdrop, the role of the Nigeria Sovereign Investment Authority ("NSIA") has become increasingly important. Established as Nigeria's sovereign wealth institution, NSIA has progressively evolved beyond the traditional function of managing and preserving sovereign assets. Through strategic investments, innovative financing structures and partnerships with domestic and international investors, it is emerging as an important platform for mobilizing capital towards projects capable of generating both financial returns and broader economic impact.

The significance of this evolution extends beyond NSIA itself. It raises an important question for Nigeria's development financing landscape: how can sovereign capital be deployed strategically to unlock much larger pools of private, institutional and international capital for sustainable national development? NSIA's growing portfolio and investment strategy provide useful insights into how that question may be answered.

This article looks at the NSIA's model of strategic investments and global partnerships as a driver of sustainable development and provides the legal and investment implications for private-sector participants.



From Sovereign Wealth to Development Capital

Sovereign wealth funds have traditionally been associated with the preservation and investment of state-owned financial assets for future generations, macroeconomic stabilization or the accumulation of long-term reserves. NSIA retains elements of these functions through its various investment funds, but its activities increasingly demonstrate a broader development-oriented mandate.

The NSIA has three Mandate Funds: (1) Nigeria Infrastructure Fund (NIF) which is one of three distinct and ring-fenced funds managed by the NSIA. It focuses entirely on domestic investments in selected infrastructure sectors, including motorways, healthcare, power, and agriculture; (2) Future Generations Fund (FGF) which was created by the NSIA Act¹ and became operational in 2012. At its creation, 40% of NSIA's seed capital was allocated to this Fund. The percentage allocation was applied to the core capital contributions received by NSIA; and (3) Stabilization Fund (SF) which has an allocation of 20% among the NSIA's pool of core funds. It is structured to play a fundamental role in serving as a source of economic stability in times of acute fiscal revenue shortfall.²

Currently, NSIA's investment activities span infrastructure, healthcare, agriculture, energy, technology and other strategic sectors of the Nigerian economy. This reflects an investment philosophy in which commercial considerations are increasingly complemented by the potential developmental impact of investments.

This model is particularly relevant to Nigeria. The country requires substantial investment in productive infrastructure and economic capacity, yet fiscal constraints limit the extent to which government can directly finance those

requirements. A sovereign investment institution can therefore play a different role from that of government as a conventional project financier.

Rather than seeking to fund every project itself, NSIA can deploy capital where its participation can improve the bankability of projects, strengthen investor confidence, attract additional financing and facilitate the participation of private-sector partners.

This distinction is critical – the real value of catalytic sovereign investment may not be measured solely by the amount of capital directly invested by the sovereign investor. Its greater value may lie in the additional capital that the investment helps to mobilize.

Catalyzing Private and International Capital

Nigeria's infrastructure and development financing gap cannot be closed by public resources alone. Institutional investors, private equity funds ("PEs"), development finance institutions ("DFIs"), commercial lenders, international investors and strategic industry participants must all form part of the financing ecosystem. NSIA is well positioned to operate at the intersection of these sources of capital.

By investing alongside other investors, establishing dedicated investment platforms, participating in structured transactions and partnering with development institutions, NSIA can help distribute risk and create investment opportunities that may otherwise struggle to attract sufficient private capital.

¹ Nigeria Sovereign Investment Authority (Establishment, etc.) Act, 2011

² NSIA: "The Three Mandate Funds" – <https://nsia.com.ng/nsia-funds/>

This is particularly important for projects with long gestation periods. Infrastructure, energy, healthcare and climate-related investments often require substantial upfront capital, long investment horizons and sophisticated risk allocation. Private investors may be willing to participate where an appropriately structured sovereign or development-oriented investor provides an anchor investment or otherwise improves the projects risk-return profile.

The broader policy objective should therefore be to move from a model of government financing projects to one in which government-backed institutions help make projects financeable. This distinction has significant implications for Nigeria's development strategy.

Strategic Investment in Infrastructure

Infrastructure remains one of the clearest areas in which catalytic investment can produce economy-wide benefits.

Transport infrastructure, power, gas, logistics, telecommunications and digital infrastructure do not merely represent individual investment opportunities. They provide the foundations upon which other economic activity depends.

NSIA's infrastructure investment activities reflect this broader understanding of infrastructure as an enabler of economic growth.

The challenge, however, is not simply to increase infrastructure spending. Nigeria needs infrastructure projects that are properly structured, commercially viable, appropriately regulated and capable of attracting long-term capital. This places a premium on transaction structuring, appropriate risk allocation, transparent procurement, predictable regulation and credible contractual frameworks.

For international investors and project sponsors, NSIA's participation can therefore be significant not only as a source of capital but also as an indicator of institutional commitment to strategically important projects.

Energy Transition and Climate Finance Opportunity

The financing of sustainable development is increasingly inseparable from the financing of the energy transition.

Nigeria faces a particularly complex challenge. The country must expand energy access, improve reliability and develop its natural gas resources while simultaneously responding to global decarbonization trends and increasing demand for cleaner sources of energy. This creates an opportunity for NSIA to use its position as a long-term investor to support projects that combine commercial viability with measurable environmental and developmental outcomes.

NSIA's increasing engagement with climate finance is particularly significant in this regard. Its accreditation as a Direct Access Entity to the Green Climate Fund creates the potential for Nigeria to access international climate finance through a domestic institution with knowledge of the Nigerian investment environment³. This could strengthen Nigeria's ability to develop and finance projects in renewable energy, climate-resilient infrastructure, sustainable agriculture and other areas where access to appropriately priced long-term capital is critical.

The strategic importance of climate finance should not, however, be viewed solely through the lens of environmental policy. For Nigeria, it is also a question of capital mobilization. International climate capital, development finance and private investment can potentially be combined with domestic sovereign capital to create financing structures capable of supporting projects that would otherwise face significant funding constraints

³ Green Climate Fund, "Accredited Entities" – The Nigeria Sovereign Investment Authority (NSIA) officially secured accreditation as a Direct Access Entity to the Green Climate Fund (GCF) on March 26, 2026, enabling Nigeria to directly request, secure, and deploy international climate finance. "Accredited Entities (AEs) are organizations that partner with Green Climate Fund (GCF) and developing countries to develop and implement projects, guided by country priorities and GCF's investment framework. AEs include multilateral development banks, national and regional financial institutions, UN agencies, and specialized organizations working across mitigation and adaptation sectors. Organizations accredited by GCF demonstrate strong fiduciary standards and environmental, social, and gender safeguards." – <https://www.greenclimate.fund/partners>

Technology as a New Frontier for Development Capital

Nigeria's technology ecosystem provides another important illustration of the changing role of strategic sovereign investment. The country's digital economy requires more than innovative startups. It requires the underlying infrastructure – data centres, cloud capacity, telecommunications infrastructure, digital payment systems, connectivity and other technology-enabling assets – needed to support sustained digital growth.

NSIA's investments and initiatives in the technology ecosystem demonstrate the potential for sovereign capital to participate in this emerging development frontier. This is significant because technology infrastructure increasingly has characteristics similar to traditional economic infrastructure. Data centres, digital networks and other technology assets are capital-intensive, strategically important and capable of producing economy-wide spillover effects.

The opportunity therefore extends beyond investing in individual technology companies. It includes supporting the infrastructure and investment ecosystem required for Nigeria's digital economy to scale. This is also an area in which global partnerships can be particularly valuable.

International technology companies and infrastructure investors can bring not only capital, but also technical expertise, operational capabilities, global networks and access to international markets. When combined with NSIA's local knowledge, sovereign backing and long-term investment horizon, such partnerships can potentially create stronger and more sustainable investment platforms.

The Power of Global Partnerships

One of the defining features of modern development finance is the increasing importance of partnerships.

No single institution possesses all the capital, expertise and capabilities required to address complex development challenges. Sovereign investors therefore increasingly operate as part of broader investment ecosystems involving governments, development finance institutions, private investors, technology companies, infrastructure operators and other strategic partners.

For NSIA, global partnerships provide an opportunity to expand the reach and impact of its capital. Development finance institutions can provide concessional or patient capital and technical expertise. International institutional investors can provide scale. Strategic corporate partners can contribute industry knowledge and operational capabilities. Technology companies can provide infrastructure and technical solutions. PEs and infrastructure funds can provide investment expertise and access to global capital markets.

The result can be a multiplier effect in which a relatively modest sovereign investment helps unlock substantially larger pools of capital and expertise.

This is perhaps the most important aspect of the catalytic investment model: the objective is not simply to attract money into Nigeria, but to attract the right capital, expertise and partnerships for projects capable of delivering sustainable economic value.

Structuring Bankable Opportunities

The availability of capital is only one side of Nigeria's development-financing challenge. The other is the availability of projects that are sufficiently well structured to absorb that capital.

A significant opportunity therefore exists for NSIA and other public institutions to contribute to the development of an investable project pipeline. This requires early-stage project development, rigorous feasibility assessments, appropriate financial modelling, credible sponsors, robust contractual arrangements, effective risk allocation and a clear regulatory pathway. It also requires greater attention to the legal architecture underpinning major projects.

Investors will typically examine issues such as land rights, licensing, permits, tax treatment, foreign exchange exposure, repatriation of capital, government support, dispute resolution, change-in-law protection and termination arrangements before committing long-term capital.

For projects involving multiple domestic and international participants, the quality and predictability of the legal and regulatory framework can be as important as the availability of financing.

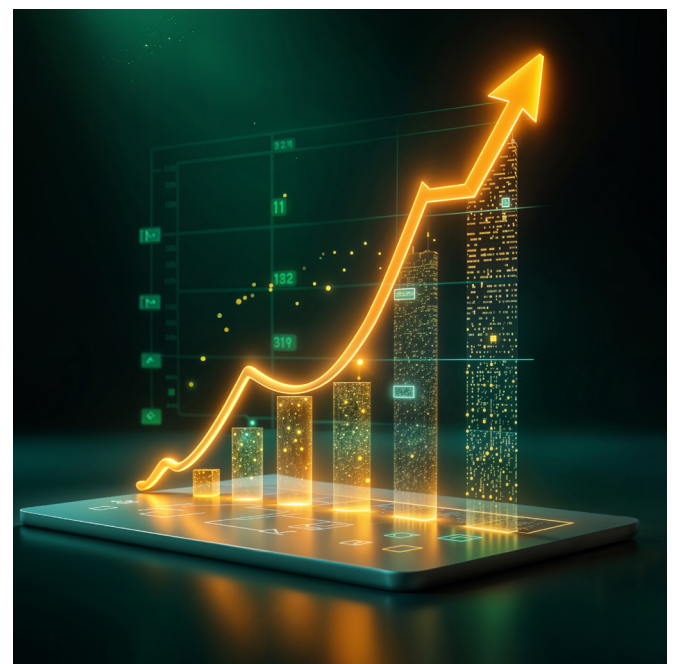
NSIA's catalytic role can therefore be strengthened where its investment activities are complemented by effective project preparation and a transparent framework for private-sector participation.

Sustainability Beyond ESG Reporting

The concept of sustainable investment is also evolving. For sophisticated investors, sustainability increasingly goes beyond environmental, social and governance ("ESG") reporting. It encompasses the long-term resilience of an investment, the quality of its governance, its social impact, its contribution to economic development and its ability to generate sustainable financial returns. For Nigeria, this broader conception is particularly relevant.

An infrastructure project that expands electricity access, a healthcare investment that improves access to quality medical services, an agricultural platform that strengthens food security, or a technology investment that expands digital connectivity may all produce developmental benefits alongside financial returns. The challenge is to ensure that these objectives are properly integrated into investment decisions rather than treated as competing priorities.

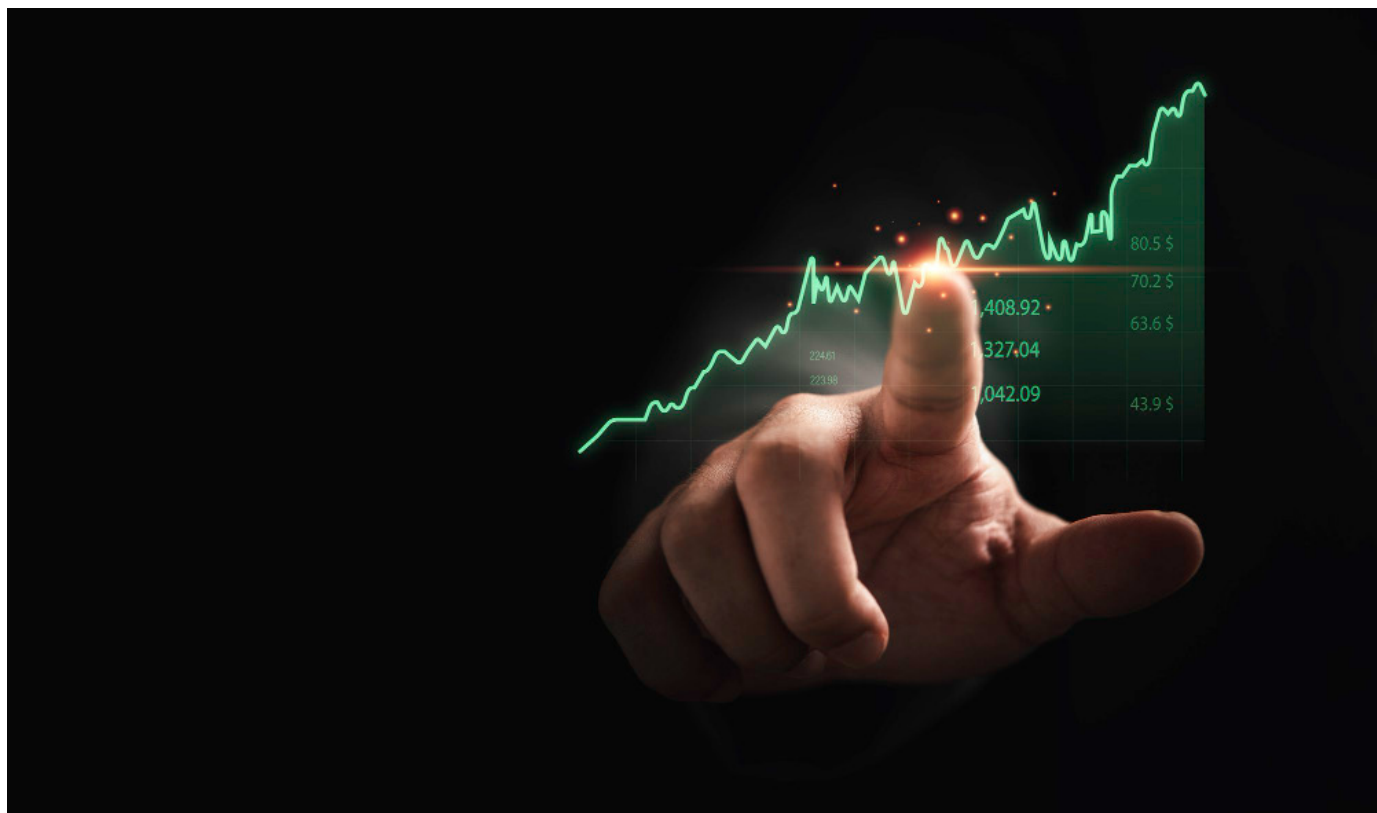
NSIA's increasingly sustainability-oriented investment approach therefore has the potential to demonstrate that financial performance and development impact need not be mutually exclusive.



What This Means for Investors

NSIA's evolving role creates opportunities for a broad range of investors:

- **For international investors**, participation in NSIA-backed or NSIA-partnered projects may provide access to strategic sectors of the Nigerian economy while benefiting from the involvement of a sovereign investment institution.
- **For domestic institutional investors**, particularly pension funds and insurance companies, appropriately structured infrastructure and development investments may provide opportunities to deploy long-term capital into productive assets.
- **For project sponsors and developers**, partnership with NSIA can potentially improve access to capital and enhance the credibility of projects seeking additional investors.
- **For international development institutions**, NSIA provides a potential domestic counterpart through which development finance and technical expertise can be channeled into commercially and strategically significant Nigerian projects.
- **For government**, perhaps the greatest opportunity is to use NSIA's institutional capacity to help transition from public expenditure-led development towards investment-led development.



Investor Dashboard: NSIA at a Glance⁴

#	KEY AREA / INVESTMENT	DETAILS
1	 US\$3.40 billion – Net Asset Value	NSIA closed FY2025 with a Net Asset Value of approximately US\$3.40 billion , representing a 19.8% increase from FY2024. Total assets stood at approximately US\$3.42 billion.
2	 15.44% – Future Generations Fund Return	The Future Generations Fund delivered a 15.44% return in 2025, outperforming its policy benchmark of US CPI + 4% by 839 basis points. The Nigeria Infrastructure Fund returned 14.55% , exceeding its policy benchmark of US CPI + 3%.
3	 US\$1 billion – Nigeria Infrastructure Fund	The Nigeria Infrastructure Fund currently has an allocation of approximately US\$1 billion and focuses on strategic sectors including agriculture, healthcare, motorways, power, gas, industrialization, financial markets, and technology.
4	 US\$1.4 billion – Gas Industrialization	NSIA is co-developing the Multipurpose Industrial Platform in partnership with Morocco's OCP Group, with an estimated investment of US\$1.4 billion , aimed at leveraging Nigeria's gas resources for ammonia and fertilizer production.
5	 US\$200 million – Technology Innovation Fund	NSIA has established a US\$200 million Innovation Fund to catalyze Nigeria's technology ecosystem, alongside its investment in the KASI hyperscale data-centre platform in Lagos.
6	 US\$50 million – Impact Innovation Fund	NSIA and the Japan International Cooperation Agency (JICA) have established a US\$50 million Impact Innovation Fund to provide patient capital to early-stage ventures addressing challenges in agriculture, healthcare, education, energy, waste and water management.
7	 US\$496 million – Integrated Dairy Platform	NSIA has entered into an MoU with UK-based Asset Green Ltd, alongside the International Finance Corporation (IFC), to develop a large-scale integrated dairy livestock production and processing platform in Nigeria, with an estimated project value of US\$496 million .
8	 Renewable Energy – Global Development Partnerships	Through the Distributed Renewable Energy Fund, NSIA and Africa50 have partnered with the World Bank, International Solar Alliance and other stakeholders to mobilize capital for Nigeria's distributed renewable energy ecosystem.
9	 Healthcare – International Capital and Expertise	NSIA's MedServe platform has secured a US\$24.3 million concessional facility from the World Bank's IDA and IFC to expand diagnostic, oncology and cardiac-care services, with equipment partnerships involving GE HealthCare and Siemens Healthineers.
10	 Climate Finance – Direct Access	In 2026, NSIA became accredited as a Direct Access Entity to the Green Climate Fund , strengthening its ability to mobilize international climate finance for climate-resilient and sustainable projects in Nigeria.

⁴ See (i) NSIA, "Our Investment" – <https://nsia.com.ng/portfolio/>; (ii) NSIA's Press Release – <https://nsia.com.ng/press-release/>; and (iii) "The NSIA Model: Catalyzing Development Through Sustainable Investments" – <https://nsia.com.ng/the-nsia-model-catalyzing-development-through-sustainable-investments/>

Legal and Investment Implications for Private-Sector Participants

NSIA-backed investments can create significant opportunities for private-sector participants, but the involvement of a sovereign investment institution also introduces legal, regulatory and structuring considerations that investors should address from the outset.

- i. First, transaction structuring and risk allocation are critical – Infrastructure and other strategic projects involving government-related entities typically require careful allocation of construction, operational, regulatory, financing, foreign-exchange and political risks. The choice between equity, debt, guarantees, concessions, joint ventures or other investment structures can materially affect both risk and returns.
- ii. Second, regulatory and governmental approvals must be mapped early – Depending on the sector and transaction structure, investors may need to consider approvals relating to corporate and foreign investment, sector-specific licensing, competition, taxation, environmental and social requirements, land, infrastructure concessions and public procurement. Projects involving public assets or government support may also require compliance with applicable PPP and procurement frameworks.
- iii. Third, bankability depends on the underlying contractual architecture – Long-term projects require robust provisions dealing with change in law, government support, termination, force majeure, dispute resolution, currency and payment risks, step-in rights and other matters affecting project viability. International investors will also typically require appropriate protection for the repatriation of capital and returns.
- iv. Fourth, ESG and sustainability requirements are becoming increasingly material – NSIA became a signatory to the Principles for Responsible Investment in 2025 and has continued to strengthen its sustainability framework. Investors participating in NSIA-related projects should therefore expect greater emphasis on environmental and social safeguards, governance standards, impact measurement and climate-related considerations.
- v. Finally, investors should assess the wider ecosystem, not merely the immediate investment opportunity – NSIA's catalytic model often involves multiple public and private stakeholders, DFIs and strategic partners. Thorough legal due diligence should therefore extend beyond the project company to the relevant sponsors, contractual counterparties, financing arrangements, regulatory framework and government commitments.

For private-sector participants, the opportunity is substantial – but so is the importance of getting the legal, regulatory and investment architecture right from the beginning.

Conclusion

NSIA's evolution reflects a broader shift in the role of sovereign investment institutions. The modern sovereign investor is not necessarily confined to preserving national wealth; it can also serve as a catalyst for mobilizing capital, developing strategic sectors and advancing long-term national priorities.

For Nigeria, this evolution presents a significant opportunity. By combining sovereign capital with private investment, international development finance, global technology and industry expertise, and robust project and legal structures, NSIA can help convert Nigeria's substantial development needs into investable opportunities.

The objective should ultimately be greater than financing individual projects. It should be to build an ecosystem in which public capital de-risks and catalyzes private capital; global partnerships transfer expertise and technology; and sustainable investments generate lasting economic value for Nigeria.

If successfully executed, NSIA's greatest contribution may therefore lie not in the capital it deploys itself, but in the much larger pool of capital and capability it helps bring to bear on Nigeria's sustainable development.

How We Can Help

As Nigeria's development-financing landscape evolves, successful participation in NSIA-backed and other strategic investment opportunities will require more than access to capital. Investors and project sponsors need advisers who understand the intersection of government policy, investment structuring, sector regulation and commercial realities.

Brooks Partners advises governments, DFIs, sovereign and institutional investors, project sponsors, lenders and other private-sector participants on complex investments and transactions across Nigeria's key economic sectors.

Our multidisciplinary teams bring together expertise in government business, infrastructure and project finance, energy and natural resources, corporate and commercial transactions, banking and finance, taxation, public-private partnerships, regulatory compliance, ESG and dispute resolution.

We support clients across the investment lifecycle – from project structuring, due diligence and regulatory approvals to financing, documentation, transaction execution, implementation and ongoing compliance.

As Nigeria seeks to mobilize greater domestic and international capital for sustainable development, we remain committed to helping investors and public-sector stakeholders navigate the legal and commercial complexities of this evolving investment landscape and translate strategic opportunities into bankable, sustainable and commercially successful projects.





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